

Date: Tuesday, March 17 2020 12:30 AM
Subject: Concession request letter
From: Thwaytes, Spencer <Spencer.Thwaytes@flyfrontier.com>
To: Jane O'Callaghan <jane.ocallaghan@amck.aero>;
Attachments: image001.jpg; Concession Request Letter -- Frontier (3-16-20)_AMCK.pdf

Dear Jane,

Please see the attached concession request letter.

We would be grateful for your response by March 18, 2020.

In the meantime, Frontier's team remain available in case you have any questions you would like to discuss.

Spencer

Spencer Thwaytes

VP and Treasurer – Treasury, Fleet and Strategic Sourcing/Procurement

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Frontier Airlines, Inc.
P.O. Box 492085
Denver, CO 80249-7312

March 16, 2020

Jane O'Callaghan
AMCK

Dear Jane,

Allow me to take this opportunity to express my sincere appreciation for our partnership and your continued support and contributions to the success of our business. AMCK is a valued lessor of Frontier. As such, you have helped develop Frontier into the airline it is today: one of the leading ultra-low cost carriers in North America, the Caribbean and Central America.

At the same time, we should all appreciate that yesterday's achievements are no guarantee of tomorrow's success. The global impact of the COVID-19 pandemic on society and businesses is a stark reminder of that fact. Although Frontier's mission is to offer streamlined travel solutions for everyone, the newly imposed governmental measures to slow down the impact of the virus are limiting our ability to deliver our services as well as the demand for air travel. This force majeure situation requires us to be ever vigilant of our cash-flow management and adapt quickly to changing circumstances.

Unlike some other companies, against the backdrop of today's rapidly changing landscape, Frontier is determined to continue delivering our growth strategy and fulfilling expectations of our stakeholders, including yourselves. Our devotion should, however, not be taken for granted. In the current macro-economic climate we should implement temporary measures across our business to mitigate the negative impact of this never before experienced challenge. Frontier aims to cooperate with its strategic business partners to overcome all the challenges we face together in this difficult period.

Accordingly, we request the prompt implementation of the following measures:

1. All lease rent payments due between the date of this letter and June 30, 2020 will be deferred; and
2. Return of one month's rent security deposit.

The above concessions would be documented in a mutually agreed deferral and concession agreement. The total amount of your concessions to Frontier will be repaid with interest over a 9-month period commencing on July 1, 2020. For the avoidance of doubt, as of July 1, 2020, the original terms and conditions of our lease agreement(s) will resume and thereafter continue in full force and effect as originally agreed.

In return, Frontier will declare AMCK as a strategic business partner and will commit that all payments due under the deferral and concession agreement as well as our lease agreement(s) are paid on time.



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We are confident that the above requested short-term measures will only strengthen our partnership and therefore prove to be beneficial to both of us in the medium and long term.

Frontier's ultra-low cost business model and our strong balance sheet with \$685 million of free cash (as at March 16, 2020) provide a solid foundation and a significant competitive advantage in the current challenging environment for airlines, while also making us a long-term structural winner in the aviation sector. Our ever-disciplined attitude to cost will enable Frontier to withstand the current decline in demand and disruption costs related to the COVID-19 pandemic in North America. We are uniquely positioned for long-term value creation as North America's lowest cost airline.

We would be grateful for your response by March 18, 2020. In the meantime, Frontier's team remain available in case you have any questions you would like to discuss.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Spencer Thwaytes".

Spencer Thwaytes
VP, Treasurer

CC:
Jimmy Dempsey
Robert Fanning